


DRC 2018-19/09

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 8.15 GS 2022
on
26th Jul 2018



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

(Prepared by Ramandeep Kaur)

Procedure followed for settlement of off market trades in 08.15 GS 2022 on NDS-OM dated 26th Jul 2018

The details of actions taken for settlement are as under:

- On 26th Jul, 2018 FIMMDA was informed of erroneous deals by the sellers (Public Sector Bank) telephonically and subsequently via mail. The seller sold 08.15 GS 2022 at 09:07:42 and 09:07:50 hrs. both for price Rs.96.42/9.2658 for Rs.5Cr and Rs.5Cr with total of Rs.10 Cr which was claimed to be out of market.
- Succeeding trade took place at 10:09:45 for Rs.100.97/7.8501. The seller claimed that he wrongly sold the security at the price of 96.42 for Rs.10 Cr instead of selling 06.84 GS 2022 at that price.
- 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.
- Accordingly, we requested RBI to reveal the name of counterparties.
- Before RBI disclosed the name of the counterparties both the counterparties informed us about their respective trades. One of the counterparty was Mutual Fund Company and other was a Financial Institution.
- All the parties were advised to reverse the trade.
- Accordingly, on the same day both the trade was reversed and reported on NDS - OM Reporting Deal Section.
- The off-market trade was thus reversed. The loss/gain reversed is Rs20,00,000
- The reversal was informed to RBI and DRC members.