

DRC 2018-19/01

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 8.20 GS 2025
on
9th April 2018



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

(Prepared by Rohan Sawant)

Procedure followed for settlement of off market trade in 08.20 GS 2025 on NDS-OM
Odd Lot dated 9th April 2018

The details of actions taken for settlement are as under:

- On 9th April, 2018 FIMMDA was informed of an erroneous deal by the seller (co-operative bank) telephonically and subsequently via mail. The seller sold 08.20 GS 2025 at price of Rs.102.60/7.7335 for Rs.4.5 Cr at 14:12:06 hrs which was claimed to be out of market.
- Disputed trade was the first trade in captioned security. Succeeding trade took place at 16:38:38 hrs for Rs.104.01/7.4873. Last traded price was Rs.104.0050/7.4882. The seller claimed that he wrongly sold the security at the price of 102.60 for Rs.4.5 Cr instead of at Rs.104.60.
- 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 11th April 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.6,34,500/-
- The reversal was informed to RBI and DRC members.