

DRC 2017-18/10

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 06.79 GS 2029
on
20th December 2017.



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

(Prepared by Rohan Sawant)

Procedure followed for settlement of off market trade in 6.79 GS 2029 on NDS-OM dated 20th December, 2017

The details of actions taken for settlement are as under:

- On 20th December, 2017 FIMMDA was informed of an erroneous deal by the buyer (primary dealer) telephonically and subsequently via mail. The buyer bought 6.79 GS 2029 at price of Rs.97.97/7.0430 for Rs.5 Cr at 09:01:35 hrs which was claimed to be out of market.
- The above is the first trade in the captioned security. Last traded price as on 19th Dec 2017 was 97.1250/ 7.1503. The buyer claimed that he placed a bid for buying Rs.5 Cr at Rs.96.95. When an offer for selling Rs.5 Cr appeared at Rs.97.97, the buyer took the offer assuming the price offered is Rs.96.97.
- 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 informed contrary decision.
- As per code of conduct, RBI was approached to know the counterparty.
- RBI disclosed the name of the counterparty as a co-operative bank.
- Both the parties were advised to reverse the trade.
- Accordingly, on next day 21st December, 2017 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.3,85,000/-
- The reversal was informed to RBI and DRC members.

