

DRC 2018-19/13

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 05.64 GS 2019
on
6th Nov 2018



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

(Prepared by Ramandeep Kaur)

Procedure followed for settlement of off market trade in 05.64 GS 2019 on NDS-OM dated 6th Nov 2018

The details of actions taken for settlement are as under:

- On 6th Nov 2018 FIMMDA was informed of an erroneous deal by the seller (Private Sector bank) telephonically and subsequently via mail. The seller sold 05.64 GS 2019 at price of Rs.99.20/10.8903 for Rs.5 Cr at 11:12:49 hrs. which was claimed to be out of market.
- Disputed trade was the only trade in captioned security. Last traded price was Rs.99.79/6.8241. The seller claimed that he wrongly sold the captioned security instead of other security.
- 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.
- As per code of conduct, RBI was approached to know the counterparty.
- RBI disclosed the name of the counterparty as a Private Sector Bank .
- Both the parties were advised to reverse the trade.
- Accordingly, on 06th Nov 2018, the trade was reversed and reported on NDS-OM.
- The off-market trade was thus reversed. The loss/gain reversed is Rs.2,95,000/-
- The reversal was informed to RBI and DRC members.