

DRC 2018-19/15

**DISPUTE RESOLUTION COMMITTEE**

- Proceedings of erroneous deal in 07.95 GS 2032  
on  
11<sup>th</sup> Dec 2018



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

(Prepared by Ramandeep Kaur)

Procedure followed for settlement of off market trade in 07.95 GS 2032 on NDS-OM dated 11<sup>th</sup> Dec 2018

The details of actions taken for settlement are as under:

- On 11<sup>th</sup> Dec 2018 FIMMDA was informed of an erroneous deal by the buyer (Public Sector Bank) telephonically and subsequently via mail. The buyer bought 07.95 GS 2032 at price of Rs.102.42/7.6596 for Rs.10 Cr at 11:06:33 hrs. which was claimed to be out of market.
- Prior to this deal there was one more trade at the same price and yield at 11:06:16 but no one informed fimmda on the deal.
- Last traded price was Rs.101.42/7.7775. The buyer claimed that he wrongly bought the captioned security at a price of 102.42 instead of 101.42
- The matter of both the deals 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 informed us that <sup>one</sup> PD ~~is an~~ institution in the deal that was not reported by anyone but wanted to know the filter set by them internally. PD informed RBI as well as us about the filter kept by them (Rupee 1). As they disposed of the security during the course of the day they are not interested in pursuing the case. RBI disclosed the name of the counterparty of the reported deal as an Insurance Company.
- Both the parties were advised to reverse the trade.
- Accordingly, on 13<sup>th</sup> December 2018 the trade was reversed and reported on NDS - OM odd lot reporting segment.
- The loss/gain reversed is Rs.10,00,000/-
- The reversal was informed to RBI and DRC members.
- CCIL informed us that in the new NDS OM system which started from 15<sup>th</sup> Oct there are two filters and they will send a write up on same. RBI advised that we may hold a meeting of DRC Members to inform them of the development and to take steps for reducing the number of DRC cases.