

DRC 2018-19/02

**DISPUTE RESOLUTION COMMITTEE**

- Proceedings of erroneous deal in 8.79 GS 2021  
on  
11<sup>th</sup> April 2018

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

(Prepared by Rohan Sawant)

**Procedure followed for settlement of off market trade in 08.79 GS 2021 on NDS-OM dated 11<sup>th</sup> April 2018**

The details of actions taken for settlement are as under:

- On 11<sup>th</sup> April, 2018 FIMMDA was informed of an erroneous deal by the seller (public sector bank) telephonically and subsequently via mail. The seller sold 08.79 GS 2021 at price of Rs.102.90/7.8401 for Rs.10 Cr each at 16:00:12/16/20/24/28 hrs which was claimed to be out of market. Total 5 trades took place for amount of Rs. 50 Cr.
- Succeeding trade took place at 15:49:58 hrs for Rs.104.95/7.1910. Last traded price was Rs.104.9425/7.1933. The seller claimed that he wrongly sold the security at the price of 102.90 for Rs.50 Cr instead of at Rs.104.90.
- 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 financial institution.
- Both the parties were advised to reverse the trade.
- Accordingly, on 13<sup>th</sup> 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.1,02,21,500/-
- The reversal was informed to RBI and DRC members.