

DRC 2018-19/14

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 08.62 HR SDL 2028
on
30th Nov 2018



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

(Prepared by Ramandeep Kaur)

Procedure followed for settlement of off market trade in 08.62 HR SDL 2028 on NDS-OM dated 30th Nov 2018

The details of actions taken for settlement are as under:

- On 30th Nov 2018 FIMMDA was informed of an erroneous deal by the seller (Primary Dealer) telephonically and subsequently via mail. The seller sold 08.62 HR SDL 2028 at price of Rs.100.52/8.5369 for Rs.5 Cr at 16:29:45 hrs. which was claimed to be out of market.
- Disputed trade was the Last trade in captioned security. Last traded price was Rs.101.42/8.4004. The seller claimed that he wrongly sold the captioned security at a price of 100.52 instead of 101.52.
- The matter was referred to 14 DRC members, the quorum being 6. Eight 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.
- As one of the counterparties did not have the underlying stock to reverse the trade they settled the trade in Cash at mutually agreed price as per DRC Clause.
- The loss/gain reversed is Rs.4,50,000/-
- The reversal was informed to RBI and DRC members.