

DRC 2018-19/05

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 08.21 HR UDAY SDL 2023
on
4th May 2018



A handwritten signature in blue ink, appearing to be "Rohan Sawant".

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

(Prepared by Rohan Sawant)

Procedure followed for settlement of off market trade in 08.21 HR UDAY SDL 2023 on NDS-OM dated 4th May 2018

The details of actions taken for settlement are as under:

- On 4th May, 2018 FIMMDA identified an erroneous deal done in the captioned security at price of Rs.98.88/8.4908 for Rs.5 Cr at 16:30:00 hrs which was apparently out of market.
- Disputed trade was the last trade in the Captioned Security. Preceding trade took place at price Rs.99.8275/ 8.2501. Two other trades took place in 2023 tenor at the yield of 8.23 and 8.25.
- The matter was referred to 14 DRC members, the quorum being 6. Six 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 private banks.
- Both the parties were advised to reverse the trade.
- The buyer did not have the security to reverse the deal. By mutual agreement, the buyer and seller decided to resolve the dispute by cash settlement.
- Accordingly, on 7th May 2018, the buyer paid the difference amount to the seller via cheque.
- The off-market trade was thus reversed. The loss/gain reversed is Rs.5,00,000/-
- The reversal was informed to RBI and DRC members.

