

DRC 2019-20/09

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 06.68 GS 2031
On
20th June 2019



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

(Prepared by Ramandeep Kaur)



FIMMDA: Dispute Resolution Committee

Procedure followed for settlement of off market trade in 06.68 GS 2031 on NDS-OM
Odd-Lot dated 20th June 2019

The details of actions taken for settlement are as under:

- On 20th June 2019 FIMMDA was informed of erroneous deal by the buyer (Co-operative) via mail. The buyer bought 06.68 GS 2031 at Rs.98.93/6.8086% for Rs.2 Cr at 15:41:52 hrs. which was claimed to be out of market.
- Preceding trade took place at 15:41:21 at Rs. 97.93/6.9319. Succeeding trade took place at 15:44:34 at Rs. 97.37/7.0017
- The matter was referred to 14 DRC members, the quorum being 6. Seven members agreed that the deal was erroneous and may be reversed. One member gave contrary decision.
- As per code of conduct, RBI was approached to know the counterparty.
- RBI disclosed the name of the counterparties as a Private Bank.
- Both 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.2,00,000/-
- The reversal was informed to RBI and DRC members.