

DRC 2019-20/13

**DISPUTE RESOLUTION COMMITTEE**

- Proceedings of erroneous deal in 06.79 GS 2029  
On  
28<sup>th</sup> Aug 2019



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

(Prepared by Ramandeep Kaur)

**Procedure followed for settlement of off market trade in 06.79 GS 2029 on NDS-OM dated 28<sup>th</sup> Aug 2019**

The details of actions taken for settlement are as under:

- On 28<sup>th</sup> Aug 2019 FIMMDA was informed of erroneous deal by the seller (Foreign Bank) via mail. The seller sold 06.79 GS 2029 at Rs. 99.40/6.8703% for Rs.5 Cr which was claimed to be out of market.
- Preceding trade took place Rs. 100.20/6.7610%. Succeeding trade took place Rs. 100.00/6.7882%.
- The matter was referred to 14 DRC members, the quorum being 6. Nine 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 counterparties as a Private 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. 3,00,000/-
- The reversal was informed to RBI and DRC members.