

DRC 2019-20/04

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 182 DTB 21112019
On
29th May 2019



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

(Prepared by Ramandeep Kaur)

Procedure followed for settlement of off market trade in 182 DTB 21112019 on NDS-OM dated 29th May 2019

The details of actions taken for settlement are as under:

- On 29th May 2019 FIMMDA was informed of an erroneous deal by the seller (Foreign Bank) via mail. The seller sold 182 DTB 21112019 at 7.20%/96.6631 for total Rs.150 Cr at 09:29:57 hrs. and 09:30:14 hrs. which was claimed to be out of market.
- Disputed trades are the first three trades in the Captioned Security. Previous trade took place on 28th May 2019 at 6.25%/97.0745. Succeeding trade took place at 6.25%/97.0906. The seller claimed that he wrongly sold the security at the yield of 7.20% for total of Rs.150 Cr instead of 6.25%
- The matter was referred to 14 DRC members, the quorum being 6. Ten 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 Bank.
- Both the parties were advised to reverse the trade.
- Accordingly, on the same day, 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.61,71,000/-
- The reversal was informed to RBI and DRC members.