

DRC 2019-20/07

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 091 DTB 05092019
On
13th June 2019



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

(Prepared by Ramandeep Kaur)

Procedure followed for settlement of off market trade in 091 DTB 05092019 on NDS-OM dated 13th June 2019

The details of actions taken for settlement are as under:

- On 13th June 2019 FIMMDA was informed of erroneous deals by the seller (Mutual Fund) via mail. The seller sold 091 DTB 05092019 at 6.88% / 98.4596 Rs. for total Rs.150 Cr at 09:45:22 hrs. to 09:47:38 hrs. which was claimed to be out of market.
- Previous trade took place on 12th June 2019 at 5.93%/98.6537 Rs.
- The matter was referred to 14 DRC members, the quorum being 6. Seven members agreed that the deal was erroneous and may be reversed. Two members gave contrary decision.
- As per code of conduct, RBI was approached to know the counterparty.
- RBI disclosed the name of the counterparties as a Primary Dealer, Co-operative Bank, Sahakari Bank.
- All parties were advised to reverse the trade.
- Accordingly, on 14th June 2019, 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.20,88,000/-
- The reversal was informed to RBI and DRC members.

